CLASSIFICATION

CENTRAL INTELLIGENCE AGENCY INFORMATION FROM

FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT CU NO.

STAT

COUNTRY

Communist China/Manchuria

DATE OF

SUBJECT

Economic - Iron mines

INFORMATION 1949

HOW **PUBLISHED**

Daily newspaper

DATE DIST. 14 Jun 1949

WHERE **PUBLISHED** Hong Kong

NO. OF PAGES 2

DATE

PUBLISHED

17 May 1949

LANGUAGE

Chinese

SUPPLEMENT TO REPORT NO.

THIS IS UNEVALUATED INFORMATION

SOURCE

Wen-hui Pao.

PEN-CHI IRCH MINES BRING BESTORED

There were seven iron mines at Fen-ch'i with a peak production in 1944 of 1,200,000 tons of ore and a labor force of 13,000. When the Communists took over in Movember 1948, the mines were inactive and all laborers had left except a few watchmen. Three years of war and KMT destruction had rendered the place desolate. After a survey the Communis's established Man-fen and Pa-p'an-lime as the foci for recovery. Already these and two other mines are being reconditioned. Seven tunnels totaling 400 meters in langta have been respected and 205 frames set up. At the two places named above, cars and engines are in service. At Miao-erh-kou 90 tons of silicon iron ore are produced deily and at Pa-p'an-ling 40 tons. Accommodations for 2,200 laborers have been built. The mines are active again.

Lebor. Under the Japanese 13,000 laborers were imployed. In 1949, 4,000 are needed. Had not the winter and spring been used for recruiting 60 - 70 percent of t. sse, the labor problem would be serious, for with land reform and many industries resuming operations, a large part of the old force might have been siphoned away.

There were favorable conditions, however. Feeling they could do better carning wages, 45 percent of the miners did not want land. Skilled workers were recruited first, and old hands were given preference over the new and unckilled. Much use was made of former workers in recruiting. Food was supplied to these most needy. When confidence was built up, many previous workers were brought back.

The labor force now stands at 2,340, or 59 percent of the 1949 goal.

Construction. When the mines were taken over, quarters for the miners had disappeared. Buildings were needed at Man-fen for office, shops, and living quarters for a force of 1,500 as compared with three watchmen 3 months before There are now 2,300 new on the job, 40 percent of them skilled. A total of 284 houses is completed. By the end of the year there will be lodgings for 3,000

- 1 -

CLASSIFICATION X NSRE STATE

RESPRICTED

STAT

Organization. Iack of organization posed quite a problem. Experienced and politically sympathetic former workers provided a core around which to organize the rest.

Conditions for miners at Nan-fen have been quite serious of late. Of course, destruction was heavy, tools and materials are lacking, power and transportation are insufficient, there has been a sudden influx of labor, etc. All these are causes, but they are secondary ones. The chief cause is the leadership. If the executives and labor unions increase the planning and organizing spirit in construction work, the miners' difficulties can be reduced to a minimum. The following facts make this point clear:

- 1. Engineers at Man-fen say there is no surplus of miners.
- 2. The force at Pa-p'an-ling, 560, is already 70 percent of the highest number in Manchukuo times and other conditions are about the same, but production is less. The problem needs strong leadership to stimulate a spirit of organization, planning, and discipline in labor, thus gradually raising the production rate. In this way the present state of confusion can be abated.

In the mining and construction sections a "Weekly Cell Report System" has been started in which there are daily records, reports to a cell meeting every week end, and planning of the following week's work, all in a democratic way. The results remain to be seen.

- E N D -